NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE V.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 15 th day of September	_, 2008, by and between
whose addresss is and, DALE PROPERTY SERVICES, L.L.C. 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease whereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusive described land, hereinafter called leased premises:	
DUT OF THE WARE OF LESS, BEING LOT(S) 3 BLOCK OUT OF THE WARE OF THE TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN FIN VOLUME 388 V PAGE 27 OF THE PLAT RECORDS OF TARRANT COUNTY.	TO THE CITY OF LAT RECORDED
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>FRC</u> gross acres, more or less (including any interests therein which Lessor may here prescription or otherwise), for the purpose of exploring for, doveloping, producing and marketing oil and gas, along with all hydrocarbon and nor produced in association therewith (including geophysical/selsmic operations). The term "gas" as used herein includes helium, carbon dioxide and o well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcel owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementationed cash execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whother actually more or fess.	n hydrocarbon substances ther commercial gases, as a of land now or hereafter Thomas Lasson agrees to
 This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>Five (5)</u> years from the date hereof, and for gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease effect pursuant to the provisions hereof. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and 	is otherwise maintained in
separated at Lessee's separator facilities, the royalty shall be $\underline{Twenty-Five}$ (25%) of such production, to be delivered at Lessee's option to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a provail	essor at the wellhead or to the wellhead market price
similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered heroby, the royally shall be Twenty-Five realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the or delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production or similar quality in the same field (or if there is no such price then prevailing in the same field, then in the is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on while	(25%) of the proceeds osts incurred by Lessee in production at the prevailing nearest field in which there

wellhead market price paid for production of similar quality in the same field (or If there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lossee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydrautic fracture stimulation, but such well or wells end in a new tholess by a deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such word or wells such in a production there from is not being sold by Lossee, then Lossee shall pay shuf-in royally one dollar per acre then covered by this lease, such payment to be made to Lossor or to Lossor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period well for wells are shuf-in or production there from is not being sold by Lossee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lossee from another well or wells on the leased premises or lands pooled therewith, no shuf-in royally shall be due until the end of the 90-day period end following cesspion of such operations or production. Lossor's fall that the property payments and the librage shall be paid or lendered to Lossor or to bring be shall be paid or lendered to Lossor and to the depository of the depository agent to reade this losse.

4. All shuf-in royally payments and the dispository by deposit in the US Malist in a stamped envelope addressed to the depository or to the Lossor at the stamped envelope addressed to the depository or to the Lossor at the

leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided heroin.

6. Lesses shall have the right but not the obligation to goot all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this tease, either before or after the commencement of production, whenever Lesses doesn it necessary or proper to do so in order to prodently develop or operate the leased premises, whicher or not similar pointing authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well or passed to a maximum acroege tolerance of 10%, and for a gas well or a horizontal completion stall not exceed 640 acres plus a maximum acroege tolerance of 10% provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density patient that may be prescribed or permitted by any governmental authority, brigh jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings proscribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" shall have the meaning producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent t

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalities hereunder. Lessee may pay or tender such shut-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter separation in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be releved or all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so releases.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, froe of cost, any (as, water and/or other substances produced on the leased premises, except water from Lesser's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted inerein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereather has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn mow on the leased premises or such other lands during the pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during the pay for damage caused by its operations to buildings and other improvements or wi

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

studied on other tracts of land and which are not intended to develop the leased premises of lands plotted therewise and which are not intended to develop the leased premises of lands plotted therewise and the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithetanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may pendiate with any other lessors/foil and has owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

Don'W the Tom Wittrus ACKNOWLEDGMENT TE OF <u>Texas</u>

JNTY OF <u>Tarrant</u>

This instrument was acknowledged before me on the <u>15</u> day of <u>refer</u>, 2008, by: <u>16.11</u> (1) 11 voc. STATE OF Texas COUNTY OF Tarrant Notary Public, State of <u>Texas</u> JOE N. SCOTT Notary's name (printed): tary Public, State of Texas My Commission Expires Notary's commission expires: February 24, 2010

STATE OF Texas COUNTY OF Tarrant

This instrument was acknowledged before me on the _____day of _____, 2008, by: _

Notary Public, State of Texas Notary's name (printed): Notary's commission expires:



DALE RESOURCES 3000 ALTA MESA BLVD STE 300

FT WORTH

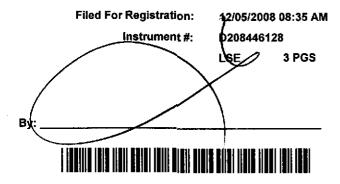
TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

\$20.00



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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